

**UNC Modification Panel Minutes**  
**Meeting 320 held on Thursday 16 May 2024**  
**via Microsoft Teams**

<b>Attendees</b>		
<b>Voting Panel Members:</b>		
<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
C Paine (CP) Engie M Jones (MJ) for D Tarasco-Fittock (DTF) SSE O Chapman (OC) Centrica and on behalf of D Morley (DM) R Fairholme (RF) Uniper S Mulinganie (SM) SEFE Energy	C Gilbert (CG) BUUK D Mitchell (DMi) SGN E Allard (EA) & Shiv Singh (SS) Cadent M Montgomery (MM) National Gas Transmission T Stuart (TSu) Wales & West Utilities T Saunders (TSa) Northern Gas Networks	A Geveke (AG) EIUG S Hughes (SM) Citizens Advice
<b>Non-Voting Panel Members:</b>		
<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
W Goldwag (WG) Chair	M Brown (MB)	None
<b>Also, in Attendance:</b>		
<b>Joint Office</b>	<b>Observers:</b>	
H Cuin (HCu) K Elleman (KE) R Hailes (RH)	A Adams (AA) National Gas Transmission C Clark (CC) Ofgem Carlos Aguirre (CA) Pavilion Energy D Addison (DA) Xoserve/CDSP	E Rogers (ER) Xoserve/CDSP G Price (GP) Ofgem S Singh (SS) Cadent/Alternate S Helder (SH) NGN J Lomax (JL) Cornwall Insight
Copies of all papers are available at <a href="https://www.gasgovernance.co.uk/Panel/160524">https://www.gasgovernance.co.uk/Panel/160524</a>		

**Record of Discussions**

**320.1. Introductions**

The UNC Modification Panel Chair, W Goldwag (WG), welcomed all attendees.

**320.2. Note of any alternates attending the meeting**

M Jones on behalf of D Tarasco-Fittock  
O Chapman on behalf of D Morley

S Singh on behalf of E Allard (whilst absent)

**320.3. Apologies for Absence**

D Tarasco-Fittock

D Morley

**320.4. Data Best Practice and its Future in Codes.**

C Clark (CC) Ofgem provided a presentation on Data Best Practice (DBP) and its expansion into energy industry Codes. This considered access to network data by energy stakeholders, the benefit of digitalisation of the energy system, recent steps and the next steps. It was noted that there were issues with the connection and therefore some questions were raised via the meeting chat facility.

Please refer to the presentation published: [320.4. Data Best Practice and its future in Codes](#)

It was confirmed that Ofgem had published an Open Letter to Codes on 14 March 2024 setting out the direction of travel and intent.

Panel considered the benefits of digitisation, the protection of vulnerable customers, protection against data misuse, fraud, and commercial confidentiality.

Panel considered the legacy systems in place. Ofgem believed that the standards set in DBP were not unobtainable for most business architecture.

Via the meeting chat facility, CC confirmed the following regarding data privacy concerns:

*With regards to Data Protection and personal information being shared, Ofgem reassured Panel that no individual domestic data will be shared, clarifying that there will never be a single MPAN identifiable on any DBP Open Data. Aggregation has been specified to ensure anonymisation. The Consumer Consent workstream is focused on how a consumer could if they wish, give consent to share data at their own pace. DBP will only open data after a triage process is conducted. CC confirmed there are several places to find guidance; the Track Changes Data Best Practice Supporting Information v2.0 (ofgem.gov.uk) 3.137 onwards in the supporting information; and the ENA playbook, ENA Data Triage Playbook.pdf (energynetworks.org).*

**320.5. Minutes of the last meeting 18 April 2024.**

Approved.

**320.6. Review of Action(s) and Issue(s)**

None.

**320.7. Consider Urgent Modifications**

None.

**320.8. Consider Variation Requests**

None.

**320.9. Final Modification Reports**

**a) Modification 0866S – Amendments to Demand Side Response (DSR)**

R Hailes (RH) presented the Final Modification Report (FMR). Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0866>

RH summarised that this Self Governance Modification would introduce further enhancements

to Gas DSR arrangements for daily metered consumers to improve NGT's access to voluntary demand side response as a pre-emergency tool that could mitigate the risk of a network gas supply emergency arising, and to limit its duration and severity if one did arise.

Panel Members considered the representations made noting that implementation was unanimously supported in the 5 representations received.

Members considered the Self-Governance status of the Modification and whether it would warrant an Authority decision along with the need for a timely decision. A comparison was made with *Modification 0852 - Shipper notification in relation to option exercise for Customer Demand Side Response*, and the potential extra scale of work. In the case of UNC 0852, Ofgem had rejected the Self-Governance status due to the potential impact on the Emergency Control Room. It was acknowledged this Modification will also have an operational impact on the Emergency Control Room however the DSR process can only be undertaken by the control room.

Panel considered the timing of implementation and the need for contractual changes which are ready for consultation. System changes were not anticipated, however some administration process changes would be required.

Panel Members considered three relevant objectives:

- a) *Efficient and economic operation of the pipe-line system.*
- b) *Coordinated, efficient and economic operation of*
  - (i) *the combined pipe-line system, and/ or*
  - (ii) *the pipe-line system of one or more other relevant gas transporters.*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0866S, Members determined (with 14 Panel votes available):

- The Modification still meets the Self-Governance Criteria, by majority vote (8 out of 14).
- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification had no Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to implement this Modification (14 out of 14).

### 320.10. Workgroup Issues/Updates

None

### 320.11. Workgroup Reports for Consideration

None.

### 320.12. Consider New, Non-Urgent Modifications

#### a) **Modification 0876 - Updates to the Annual Quantity (AQ) amendment process.**

E Rogers (ER) on behalf of the Proposer presented the Modification, explaining that it seeks to update the AQ amendment process within TPD G 2.3. specifically adding clarity around the use of "eligible cause" G2.3.21 (b) (change in Consumer Plant), as well as ensuring a process for managing instances of misuse across all "eligible causes" where identified. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0876>

ER explained that at present, the Uniform Network Code (UNC) allows for the amendment of a Supply Point Annual Quantity (AQ) to be changed where the most recently calculated AQ

does not reflect the expected consumption of gas. Currently, there are “eligible causes” set out within UNC TPD G, known as ‘reason codes’ which can be used to amend the Supply Point AQ.

This Modification seeks to provide additional clarity regarding the use of ‘reason code 2’ and makes it explicit what is required to utilise this ‘eligible cause’. It also seeks to extend the exceptions process that can currently be used for ‘reason code 3’: ‘the commencement of a new business activity or discontinuance of an existing business activity at the consumer's premises’ as defined in TPD G2.3.21(c).

The Modification was proposed as Self-Governance with a Workgroup Assessment concluding in six months (November 2024).

Panel agreed to a 6-month assessment period at the Distribution Workgroup reporting back on 21 November 2024. It was noted that this Modification could report back sooner if the Workgroup Report is concluded early.

Panel considered the level of validation/evidence, the burden of proof, and the potential additional process workload. Panel considered Modification 0816S - Update to AQ Correction Processes, which was processed as a Self-Governance. It was suggested that on submission of an AQ amendment request the Shipper is warranting the correct use of codes with evidence of the eligible criteria being met. Panel considered it would be prudent for Shippers to keep evidence in case this is requested.

Panel considered how to disincentivise the misuse of codes and the ability to re-instate AQs.

It was recognised that IGT sites will be impacted by this Modification at a system level, however as the IGT UNC refers to the UNC for this process, a separate IGT UNC Modification would not be required.

Panel Questions:

Q1. Consider how the burden of proof will work in practice and if this could result in having a material impact?

Q2. Would the burden of proof work as a useful disincentive to prevent misuse?

Q3. In light of UNC 0816S extending the range of reason codes, is this Modification required?

For Modification, 0876S Members determined (with 14 Panel votes available):

- There are no Cross-Code Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is met, as this Modification is unlikely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (14 out of 14).
- The Modification should be issued to a Workgroup for 6 months with a report to be presented to the November 2024 Panel, by unanimous vote (14 out of 14).

**b) Modification 0877S - Alignment of TO Revenue and TO Correction terms to the current Gas Transporter Licence**

The Proposer, A Adams (AA) presented the Modification, explaining that it seeks to update references within UNC TPD Section F to two Licence terms Transportation Owner Revenue (TORt) term and Transportation Owner Correction (TOKt) term, referenced in the calculation of the Default System Marginal Price (SMP). These terms are no longer in the National Gas

Transmission Gas Transporter Licence and therefore need to be updated. These terms will be replaced with the Adjusted Revenue term (ADJRt) which is the current Licence term. The ADJRt, is an Allowed Revenue term that is independent of K and is the value that is used in the Default SMP calculation. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0877>

AA clarified that TORt and TOKt are terms used in the previous Transporter Licence, which have since been replaced. The TORt and TOKt terms remain in UNC as part of the calculation of the “Average Forecast NTS Capacity Charges” which in turn are used in the calculation of the “Default System Marginal Price” within TPD Section F. An update will ensure there is no confusion in the values which are used in the calculation.

The Modification was proposed as Self-Governance with a request that the Modification is issued directly to consultation.

Panel considered whether the Modification, as it is correcting text to align to the Transporters Licence, could be processed as Fast Track Self-Governance. This was not considered a simple housekeeping change.

Panel also deliberated the value of sending the Modification to Workgroup for one-month to avoid the potential delay if new issues are raised during the consultation. It was noted that it had been previously discussed as a pre-Modification at NTSCMF. A copy of the minutes are available at: <https://www.gasgovernance.co.uk/ntscmf/070524>

Panel Questions:

None raised.

For Modification 0877S Members determined (with 14 Panel votes available):

- There are no Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is met, as this Modification is unlikely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (14 out of 14).
- The Modification should be issued with a standard 15-day consultation, and considered at the 20 June 2024 Panel, by majority vote (8 out of 14).

**320.13. Existing Modifications for Reconsiderations**

The following update was provided to the estimated decision dates timetable published at <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Modification	Estimated Decision Date
0841 - Introduction of cost efficiency and transparency requirements for the CDSP Budget	17 May 2024
0842 - Gas Entry onto the Total system via an Independent Gas Transporter	TBC
0854 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers	Decision Received 10 May 2024

M Brown (MB) confirmed that the next EDD table is due for publication on 31 May 2024 and this will include an EDD for UNC 0842 and IGT UNC 172.

MB also noted:

- The joint consultation with DESNZ on the code manager selection regulations and licence conditions closed on 05 May 2024.
- The Ofgem consultation on the implementation of Energy Code Reform closed on 23 April 2024. Ofgem are reviewing and analysing all responses received and will publish its decision in due course.
- The first Modification Process Workgroup (MPW) session took place on 14 May. This session focussed on two areas Ofgem sought views on its recent consultation; the code objectives, and, the role of stakeholders in delivering strategic change. The MPW explored how a possible net zero code objective could impact the code modification process, the benefits and downsides of Ofgem producing associated guidance, and more broadly, opportunities for closer alignment of objectives between the codes. The MPW also discussed the nature of information code managers might need from code parties to effectively develop and deliver strategic change, circumstances where that information may need to be requested, and the challenges with framing any licence or code obligation on this. The workgroup meets again on 23 May.

### 320.14. Modification Reporting

#### Workgroup Extension Requests:

Modification	Current reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
0860S - Clarify impact of exit capacity holdings on offtake rights	June 2024	July 2024	1-month extension
0869 - Revision to the Calculation Methodology of the Security Amount for Planning and Advanced Reservation of Capacity Agreement (PARCA)	July 2024	August 2024	1-month extension

#### Legal Text Requests:

UNC Modification Panel Members discussed the Legal Text Requests and determined unanimously to make Legal Text Requests for the following Modification(s):

Legal Text Requests for Modifications	Accepted
0864S - Update of UNC Code Communication Methods	Yes
0874S - Amendments to UNC to align with Gas Demand Forecasting Methodology	Yes

### 320.15. Any Other Business

- FSO Codes Change Programme – Statutory consultation on modifications to industry codes to implement the Independent System Operator and Planner (ISOP)**



RH advised the statutory consultation is expected to commence on 20 May 2024, closing on 14 June 2024. It is anticipated that 9 UNC documents will be impacted. A decision is expected around 28 June 2024 to allow for implementation on 01 July 2024.

The legal text will be provided by National Gas Transmission and available as part of the consultation documents available on the Ofgem website at: <https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/future-system-operation-fso>

A Panel member enquired if there was an executive summary to provide a high-level overview of the changes to avoid having to review the details of the changes which will need to be made following an Ofgem’s direction. RH confirmed that all related documentation would be published on the Ofgem website but could not categorically confirm whether there would be an executive summary.

**c) 2024-25 User Representation Process**

K Elleman (KM) provided a brief overview of the 2024-25 User Appointment Process providing confirmation current Panel membership will remain until September 2025 and PAC will have a staggered approach to ensure continuity and knowledge retention.

**320.16. Date of Next Meeting(s):**

Panel meetings are listed at: <https://www.gasgovernance.co.uk/panel/2024>

All other Joint Office events are available via: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	New Mod Deadline	Venue
10:00 Thursday 20 June 2024	5pm Friday Fri 07 June 2024	Teleconference / Microsoft Teams
10:00 Thursday 18 July 2024	5pm Friday Fri 05 July 2024	Teleconference / Microsoft Teams
10:00 Thursday 15 August 2024	5pm Friday Fri 02 August 2024	Teleconference / Microsoft Teams
10:00 Thursday 19 September 2024	5pm Friday Fri 06 September 2024	Teleconference / Microsoft Teams
10:00 Thursday 17 October 2024	5pm Friday Fri 04 October 2024	Teleconference / Microsoft Teams
10:00 Thursday 21 November 2024	5pm Friday Fri 08 November 2024	Teleconference / Microsoft Teams
10:00 Thursday 19 December 2024	5pm Friday Fri 06 December 2024	Teleconference / Microsoft Teams

Panel Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
			No New Actions			